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THE NEW POLITICS.

THE ISSUES.

BY WILLIAM GARROTT BROWN.

To a superficial view there is little in the present state of our public affairs to suggest the notion of any marked transition. There are no wars or rumors of wars; even the prophecies and forebodings of that sort of excitement seem to lack conviction. They are but mildly lugubrious, and yield few shudders. Peace reigns—and prosperity, which is tamer still. Nor is there any “malice domestic” that looks particularly threatening. Sectional jealousies, though occasionally stirred, do not leap into flame. Party feeling, as between the two great parties, has seldom been so weak. Exciting and dramatic personal rivalries are equally wanting. There is nothing, for instance, to compare with the long confrontments of Jefferson and Hamilton, of Clay and Jackson, of Douglas and Lincoln. There is, indeed, a vigorous and heated struggle between two factions in one of the great parties, and the two wings of the other great party may soon follow suit and favor us with a set-to; but neither division has as yet gone far enough to produce changes that can be regarded as clearly revolutionary.

But great changes in the political life of a people do not always come violently, dramatically. Some of the greatest have come, like those in nature, quietly. There is, I believe, a feeling among thoughtful men that such a change is in fact coming over our political life to-day; and very good reasons may be given for this view.

Twenty-two years ago, Mr. Bryce, coming to the end of his “American Commonwealth,” had this to say about the future:

“America, in her swift onward progress, sees, looming on the horizon and now no longer distant, a time of mists and shadows, wherein dangers

may be concealed whose form and magnitude she can scarcely yet conjecture. As she fills up her Western regions with inhabitants, she sees the time approach when all the best land will have been occupied, and when the land now under cultivation will have been so far exhausted as to yield scantier crops even to more expensive culture. Although transportation may also have then become cheaper, the price of food will rise; farms will be less easily obtained and will need more capital to work them with profit; the struggle for existence will become more severe. And while the outlet which the West now provides for the overflow of the great cities will have become less available, the cities will have grown immensely more populous; pauperism, now confined to some six or seven of the greatest, will be more widely spread; wages will probably sink and work be less abundant. In fact, the chronic evils and problems of old societies and crowded countries, such as we see them to-day in Europe, will have reappeared on this new soil."

More than eighty years ago—that is to say, sixty years before Mr. Bryce's forecast—Macaulay, who never saw America, writing a reply to John Stuart Mill's essay on government, and controverting Mill's view that monarchies and aristocracies are always more rapacious than democracies, introduced this striking passage:

"Despots, we see, do plunder their subjects, though history and experience tell them that, by prematurely exacting the means of profusion, they are in fact devouring the seed-corn from which the future harvest of revenue is to spring. Why then should we suppose that the people will be deterred from procuring immediate relief and enjoyment by the fear of distant calamities—of calamities which perhaps may not be fully felt till the times of their grandchildren?

"The case of the United States is not in point. In a country where the necessities of life are cheap and the wages of labor high, where a man who has no capital but his legs and arms may expect to become rich by industry and frugality, it is not very decidedly even for the immediate advantage of the poor to plunder the rich; and the punishment of doing so would very speedily follow the offence. But in countries in which the great majority live from hand to mouth, and in which vast masses of wealth have been accumulated by a comparatively small number, the case is widely different. The immediate want is, at particular seasons, craving, imperious, irresistible. In our own time it has steeled men to the fear of the gallows, and urged them on the point of the bayonet. And, if these men had at their command that gallows, and those bayonets, which now scarcely restrain them, what is to be expected? Nor is this state of things one which can exist only under a bad government. . . . Therefore, the better the government, the greater is the inequality of conditions; and the greater the inequality of conditions the stronger are the motives which impel the populace to spoliation. As for America, we appeal to the twentieth century."

The Twentieth Century is upon us. Mr. Bryce named thirty years as the period which, in the opinion of the best judges, still intervened between the America he was writing about and the coming of the time when Americans would find themselves confronted with the questions which had already long beset older and more crowded countries. That period is not yet exhausted; but the pace of our American advance has been accelerated. I think we can hardly doubt that certain new public issues which within the last two or three years have come very swiftly to the front are such as both Mr. Bryce in 1888 and Macaulay in 1829 foresaw that we should ultimately have to face; that they have come to stay; that the present time is therefore transitional—much more truly so than many periods which have seemed so mainly because they have been disturbed and exciting. We are not yet, it is true, an old society or a crowded country. But—the frontier is gone. With the admission of Arizona and New Mexico, the famous Senate Committee on Territories becomes a committee on Alaska alone. We are in the situation of a man who, though still very young, has nevertheless reached maturity and come into full possession of his estate; of an estate vast indeed—vaster than that of any of his neighbors—but yet of a vastness no longer incalculable, no longer uncalculated, and which is also appreciably impaired by the waste and extravagance of his youth. We face, therefore, the duties and responsibilities of maturity, of a more careful development and husbandry of our great demesne. The time of boundless anticipation is past. We have, instead, a sure sense of strength, but with it comes also, at last, the sense that even our strength, and our capacity for growth, have their limits. There is as yet no real pinch, no hemming in, no severe pressure or congestion; far from it. But the certainty that these things are in the future is at last borne in upon us by facts and by wise warnings. That is enough, like the young man's first vivid confrontation with the mere knowledge of his limitations, to change our mood. Were we asked if our characteristic cheerfulness and hopefulness is not damped, we might still reply, "Not a jot, not a jot!" But we are indisputably taking up, and ought to be taking up, certain of the problems of "old societies and crowded countries"; and the coming of these new problems, these new issues, has somewhat changed the aspect of certain others which, even with us, are old.

There is much to hearten us as we enter upon the new epoch. As we turn to the questions, new and old, which now confront us, we can feel that certain other questions, certain whole classes of questions, in fact, which have at other times sorely tried free governments, do not now confront us at all. There are, for instance, the political troubles which have sprung from differences in religion—the very bitterest in history. It surely may be counted an immense triumph of democracy that these have for us practically ceased to exist. And it is so, too, with certain other fundamental things. Besides religious freedom, we have freedom of speech and of the press. Some very serious evils have, it is true, appeared in the press. It is badly commercialized. Its tone is frequently very low, and one does not, as a rule, find it governed by any high sense of responsibility. But it is still, as a whole, an invaluable safeguard. Whatever problems we have to face, we can discuss them with very great freedom. We obey Milton's injunction concerning Truth: "Give her but room, and do not bind her when she sleeps." In that alone is an immeasurable security and hope. To say that we are also free from the political troubles and perplexities that spring from differences of race would be going too far. But I think we may say that those troubles and perplexities are to-day less acute, less threatening, less hampering and depressing, than they have ever been before. The sin and blunder of slavery is ended—is even, let us hope, atoned for. The mistake and wrong of Reconstruction is undone. Much, very much, remains to be done by way of adjustment, arrangement, education, justice; but the temper in which we consider these things is vastly improved. I believe that most thoughtful men, if they should examine their own minds concerning this entire matter, would confess themselves more hopeful to-day than they have ever been—more hopeful than, a few decades ago, it seemed possible that they would ever be.

We can, therefore, turn to our new issues exceptionally free-handed, and with the good spirit that comes of substantial progress in free government.

The new issues all have this much in common: They are all at bottom economic, and economic in a very strict derivative sense of the word—all questions of national housekeeping, of the safeguarding, the development, and the distribution of our im-

mense national inheritance. John Sherman said long ago that nine-tenths of the legislation of peace is the legislation of finance, and if finance be taken in its fullest meaning that is truer to-day than when he said it. I am not sure that it has not also always been true; but the rapid and revolutionary development of the means, and the swift widening of the scale, of production and transportation—the marvellous extension of the principle of combination into every branch of industry and business—this change has transformed bewilderingly the entire field with which economic legislation must deal. It is not merely that we are approaching “the problems of old societies and crowded countries.” Those problems have taken on for us new aspects, aspects hardly known elsewhere, and a truly American vastness of range. We can and should profit by a close study of European and Asiatic experience. The way we are at last coming to study that experience is perhaps the most convincing, as it is the most natural, manifestation of our changing temper. But the guidance we can get from the older countries, however valuable, is limited. There are things we must work out for ourselves—in which we must ourselves be guides and pioneers; for the new industry, the new ways in business and finance, are much farther advanced with us, and much more firmly established, than with the older peoples.

The particular new issue on which we can get the most guidance from Europe, and which is therefore the simplest of all, is that of conservation. To call that issue a question would be a misnomer. It is not a question at all—unless there is a question between economy and extravagance. To state it should be, so far as public opinion is concerned, to answer it. No one, I suppose, would have the hardihood to affirm that we ought to waste our patrimony instead of husbanding it, or that we ought to consume those natural resources which, like the forests and the soil’s energy, are capable of self-maintenance and of increase, faster than they can be restored. The only question should be of ways and means, and concerning these it will be some time before we exhaust the enlightenment to be got from European experience. The very recent date of the beginnings of scientific forestry among us is perhaps the best illustration of how much we can learn and must learn from that experience—and of how amazingly we have

neglected it. It is hardly twenty years since Mr. Pinchot and the other pioneers began their work in this country; but in Germany, in France, in Switzerland, the care and culture of the forests have been a national concern for centuries. Their systems were thorough and elaborate before ours was begun. The German forests are valued at half a billion dollars. The French forests yield annually an average of two dollars the acre. Those of Switzerland are, if anything, even more carefully conserved and cultivated. With us, there was actually no law whatever providing for forest reservations until 1891. In the matter of the national conservation of the use of water-power, we have in the example of Switzerland a still more admirable—a practically perfect—object-lesson. There is not a considerable waterfall in the Alps whose force is not carefully calculated. Already a great part of the light and heat and power used by the Swiss people is supplied by government from this source.

Concerning these things, therefore, there is hardly a question; but there is an issue; there is a conflict, a struggle; and the violence and magnitude and difficulty of it are greater than anywhere else in the world. That is so because nowhere else in the world are private interests so well organized or so powerful, and nowhere else have they had such opportunities to acquire control of the various means of wealth. There is thus an issue, more and more sharply defined, between the permanent public weal and the selfishness of individuals and groups. The mere wastefulness of the public itself, culpable as it has of course been, does not seriously threaten to turn into that spoliation by the people which Macaulay apprehended; but the accumulation of vast wealth by a few, which he also predicted,—that has come, and on a scale beyond his wildest dream. There has also come a massing together of both great and little accumulations, and an organization of capital and industry under a few heads, which he apparently did not foresee at all, so that the struggle is not so much against the appetites and immediate desires of the mass of the people as it is a struggle on behalf of the people against the combinations. To take an instance which at once suggests itself, the lumber kings were not so slow as the rest of us to see how rapidly the country was being deforested. Mr. Pinchot did not need to take violent measures to arouse them to the situation. Mr. Pinchot, in fact, taught them nothing on the

subject. They had already looked ahead, and were buying timber lands everywhere. Whether or not a similar concerted effort has been made to monopolize the country's water-power has been questioned; but it can hardly be questioned that, law and usage remaining what they are, the same forces which have made for monopoly and against competition in other things—in steel, in mineral oil, in anthracite coal, and the rest—will accomplish this huge monopoly as well.

The swift and universal rise of prices from which we now suffer will be really a blessing if it shall serve to awaken us completely to the actual state of industry and exchange among us. Our awakening to the necessity of economy, of conservation, important as it is in itself, is still but a part of the greater awakening to the true extent of the changes that have come about in our industrial life; it is but a rubbing of the eyes to what we shall see when we are fully aroused. The field is so vast that only a superficial glance at the main features of the new order is here possible; but sometimes the swift eye-sweep will yield enlightenment not to be won by a minute and piecemeal observation.

The most striking and important fact—a fact which is in a way inclusive of the whole matter—is this: Competition, as we have known it in the past, the kind of competition on whose existence and continuance our law and usage concerning industry and concerning property are largely based, is breaking down. From many industries it has already practically disappeared. Take any one of dozens of articles of general consumption, and thorough investigation will very likely disclose that real and vital competition no longer prevails in its production or in its transportation or in its wholesale or even its retail distribution. From whomsoever one buys it, one is really patronizing a trust or other combination. A combination of manufacturers makes it, a combination of common carriers fixes the charges for transporting it to the market, the original combination names the terms on which the retail dealers may handle it—the main condition frequently being that they shall not handle competing products at all—and the ultimate consumer is lucky if a combination of the dealers themselves does not fix the minimum price at which he can buy it. That such combinations of mere retailers exist in the great centres, and that there exists also the control or owner-

ship of groups and chains of shops by the manufacturers themselves, has for some time been known. If our present investigations of prices go deep enough and far enough, I am sure they will also disclose such combinations in the smaller communities as well. The dependence of ordinary shopkeepers on the trusts or other combinations which supply their particular wares—such, for instance, as that of the butchers on the meat trust—is so wide-spread that in this respect the old law of competition has been, in large measure, not merely nullified but reversed. Instead of individual manufacturers competing for sales to individual shopkeepers, who in turn compete among themselves for the consumers' favor, we have the shopkeepers compelled to restrict their business to the products of a group of manufacturers and taking their revenge by themselves combining against the consumer. The consumers, in fact, seem to be the only industrial group which has so far failed altogether to combine.

Illustrations are so abundant that one hesitates which to choose. Perhaps the tobacco business, since it was one of the first to yield to the principle of combination, will do as well as any other; but what is true of that business is true of so many others that it is necessary, in justice, to emphasize that it is taken merely as an illustration—that nothing invidious is meant by the choice.

The history of that business since the principle of combination, the trust principle, was first applied to it exhibits plainly all the features of the new order which have been mentioned, except, possibly, the voluntary combination of the retail dealers in particular communities. There was first practically unlimited competition among the manufacturers, then the union of several companies in a corporation stronger than any of its rivals; then the sort of competition that never lasts, and which led simply to successive absorptions of all sorts of independent concerns by the original combination, the names of the various independent brands being, however, frequently retained; then the invasion by the trust of branches of the business in which it had not originally engaged; then—or perhaps sooner—the taking of measures for the control of the retail trade, such as the setting up of chain stores and the practical compelling of retail dealers to handle only the trust's wares. Other means to overcome competition were doubtless employed, but these were the chief. And they

have been so effective as to leave the consumer in large measure at the mercy of the combination. If he insists on buying a particular brand of tobacco formerly manufactured by independents, he is very likely to find either that it is no longer manufactured at all or that it is now really manufactured by the trust—in which case the quality of the product has very probably been changed. Of course, some independent concerns are still doing business, and it is always possible to obtain their wares if the consumer prefers them and is willing to take the trouble to use the mails. The monopoly is not complete. But in respect of by far the greater part of the demand for tobacco in all its various forms it has almost come to the point where the men in control of the bulk of the business can say to the consumer: “You can no longer choose for yourself what you will have. You must take what we supply.”

Again let me repeat that I have mentioned this business merely as an illustration. Many other industries that would serve equally well as illustrations instantly come to mind. In fact, what does not come promptly to mind, what is getting harder and harder to find, is the industry, the business, of which what is true of this one is not either already true or plainly by way of becoming true. One can scarcely pick up a paper without encountering the announcement that the same principle has been extended in some form to some new field. A combination of “general” stores in certain cities, and a practically nation-wide combination of bakeries, are the freshest instances. It is impossible not to feel that the tendency is so universal as to mean unmistakably a new industrial order.

What does the change mean for the individual, not as consumer, not as in any sense a mere observer or outsider, for that can be the lot only of a number so small as to be negligible, but as a part and member, an industrial unit, of the new order, the new system? Clearly, it means, and it must continue to mean until the system is somewhat modified in the interest of the individual, less independence, a narrower range of opportunity. There is no reason to believe that it means on the whole less comfort or a lowered standard of living. The contrary is more probably true. The economies in most of the combinations doubtless outnumber and outweigh the losses, not from the point of view of the producers only, but from that of the entire community

as well. Neither does the change mean that the man of ability and ambition cannot rise. He can. A policy of promotions for merit is plainly to the interest of every great business. The great combinations have almost universally adopted that policy, and they follow it far more consistently than government does. That is a principal reason why they are so well served. But that these things are so does not rid us of the fact that the coming of the new order has meant a real loss of independence, of industrial freedom, to the great mass of individuals. Their chance to rise is a chance to rise in but one way—by obedience to the laws of the systems to which they belong; and in the making of those laws they have had no voice. There is real independence only at the top; and to reach the top is beyond the hopes of any but a very, very few. In this respect the new order is, perhaps, more like the military system than anything else. Clearly, it is less democratic, less in accord with the democratic ideal, less conducive to the democratic spirit and temper, than the old.

But to get a fuller conception of the change, and how great it is, we must go higher. We must go to the source of initiative and control in business as it has come to be carried on in America; that is to say, to the men who direct the capital of the country. For the principle of combination has certainly not withheld itself from the sources of industrial energy any more than it has from particular industries. Of the announcements of mergers and combines which one sees so constantly, none are more significant than those concerning banks and trust companies in the great centres. To these there have also of late been added reports from the West of the formation of chains of banks in the smaller places, covering whole States or parts of two or three States—not the branch bank arrangement of England and Canada, but veritable bank trusts, controlling the main supply of capital for great regions. I suppose it was the insurance investigations of a few years ago that first revealed how it has been possible for a few great capitalists to get control of the accumulated savings of hundreds of thousands of people of small means. Those investigations did not, however, lead to any comprehensive plan for arresting the process. It has not stopped, but gone on. According to a recent estimate, a single great banking concern is charged with the practical direction of some six billion dollars, variously invested—in manufactures, in banking, in transporta-

tion, in mines, in many other ways. To say that we already have a dominant, all-controlling money trust would be going too far. But it is not too much to say that the forces of the age make for such a consummation, that, our law and usage remaining as they are, that also is fairly sure to come about.

The possibility, taken with the vastness of our extent and our wealth, is staggering. Four centuries ago, the Medici were masters of Florence because they were supreme there in finance; but Florence at her best was but a city of perhaps one hundred thousand inhabitants, with a territory far smaller than that of our average single State. If, therefore, the Medici could make themselves so great a place in history, and play so great a part in the life of their time, what might not they do who should establish even a like control over the limitless industry, the incalculable opulence, of America? In the presence of such power, how could democracy survive? Such power could go far to corrupt the press. Less power has, in fact, already gone far to corrupt the press. Less power has already corrupted Legislatures; has suborned executives; has reached even the courts. But these indirect and vile ways are not the only ways, perhaps not the most truly effective ways, in which such power would work to the undoing of democracy. When we shall have substituted the new order for the old *régime* of competition and free individual initiative in all the great industries, when every one of them shall be organized into a single system under a single-headed control, and there shall be set above them all the money-lenders, the financiers, themselves brought into an equal solidarity, we will have gone far to deprive democracy of the very air which it must breathe to live. We will have denied to the mass of individuals the use and practice of self-dependence, self-direction, the wont and exercise and habit of freedom, without which they cannot fit themselves either to win it or preserve it.

Here, I repeat, is but the merest glance at the new conditions; the merest flirting aside of the curtain. But it may, I think, be sufficient to enable us to formulate the chief of the new issues. We are confronted, let us say, with the problem of adapting the democratic principle to conditions that did not exist when our American democracy arose in the world: that is to say, to a field no longer unlimited, to opportunities no longer boundless, and to an industrial order in which competition is no longer the con-

trolling principle, an industrial order which is, therefore, no longer democratic, but increasingly oligarchical, which may even become, in a way, monarchical, dynastic. To save itself politically, democracy must therefore become aggressively industrial; it must somehow extend itself into that field. Plainly, therefore, "*laissez-faire*" can no longer be its watchword. That was the watchword of the *régime* of competition. Democracy's task is twofold; it must secure for the State, the public, the people, some kind of effective, ultimate control over the natural sources of all wealth; and it must also secure, in an industrial system no longer controlled by competition, protection and opportunity for the individual.

That twofold task and battle will not be easy. Democracy, in fact, has never faced a harder, a more complicated struggle. Ere she come through it victorious, she will have need to call upon the names of all her saints, to hearten herself with the memories of the deeds of all her heroes. For privilege, driven from the Church, hurled from the throne, has here in America made her seat and stronghold in the market-place, and fortified it with such a skill and energy as were never before spent in her service. We may hope that if it be taken it will prove her last. But we cannot feel that it will be easily taken; we cannot even hope to take it by the methods of our past fighting against oppression.

That ancient warfare must, in fact, be begun all over again, and with new tactics, new strategy. In the presence of the overshadowing new issue, many of the old issues will be altered, reshaped. The old struggle over the tariff will be less and less a mere matter of conflicting sectional issues, less and less a matter of contrary economic theories, more and more a part and phase of the great struggle between democracy and privilege in industry. The old constitutional questions, many of which we have fondly thought forever settled, will reappear in new forms, and many new ones will also arise. Instead of being at the end of the period of great constitutional controversies, we are at the beginning of a new set of such controversies, deeper and more difficult than any that have come before. The rights and powers both of the States and the nation must be scrutinized afresh. We shall be lucky, indeed, if we can stop with mere constitutional decisions and adaptations and changes. Before the

end, we may well have to go back farther still, and find for the common law itself, if not new principles, at any rate, new formulas. For I doubt if we shall end before we have revised many of what we have thought our fundamental conceptions of property and of human rights.

I doubt, indeed, if Democracy alone is in danger, if Democracy alone is the sole matter of the argument, the true stake of the contest. They that enlist in the new war, though they begin as defenders of Democracy only, may find before the end that they are in truth fighting in a still holier cause and can take their inspiration from a still greater name. Liberty, to save herself and all her immemorial winnings, must come herself into the field. And she cannot come as when, in the past, she has come to lift up peoples abased by kingly or aristocratic oppression or crushed by armies or yoked with the yoke of priestly bigotry. Coming now to lift up a people bowed down before the face of wealth, she must take on a new aspect, cry new invocations, learn new ways of warfare. She must get new weapons and a new armor. It may even be that she must wear a new face and form, and find for herself some other beauty than that with which, for so many ages, she has won to her hard service the noblest of mankind.

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